



Agenda Item 3.04

Memorandum

TO: Dalton B. Floyd, Jr., Chairman, and Members
Commission on Higher Education

FROM: Rosemary Byerly, Chair, Committee on Finance and Facilities

SUBJECT Interim Facilities Projects

Attached are the interim facilities projects for approval at the Commission meeting on June 5, 2003. Please note that the Committee has not yet approved these items. The Committee will consider these items prior to the Commission meeting. Staff recommendations are included for your information.

A brief summary of the projects is listed below. Detailed descriptions of the projects begin on page 2.

<u>Institution</u>	<u>Project</u>	<u>Amount</u>	<u>Project Type</u>
Clemson	Adv. Materials Research Lab	\$ 974,000	increase/rev. scope
MUSC	High Voltage Substation Upgrade	\$ 8,500,000	establish project
	Phase I Relocation Project	12,500,000	establish project
	Thurmond/Gazes Chiller Replacement	<u>3,500,000</u>	increase/rev. scope
	Total	\$25,474,000	
Coastal Carolina	Litchfield Lease - add additional square footage	\$ 110,000	incr. from \$190,000 to \$300,000

Clemson

Advanced Materials Research Lab
construction/land acquisition
(Previous funding = \$20,151,218)

	\$ 974,000	-increase budget/revise scope
Source of Funds:	\$1,000,000	-institution bonds
	<u>(26,000)</u>	-operating revenues
Total:	\$ 974,000	

Discussion:

Clemson proposes to add funds to provide a sufficient construction contingency and to provide full-time presentation. Due to the accelerated construction schedule (13 months) the University believes full-time project representation is essential in ensuring problems that arise are addressed expeditiously and complete project documentation is maintained.

Recommendation

Staff recommends approval of the project as proposed.

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MUSC

Campus High Voltage Substation
Upgrade Emergency

	\$ 8,500,000	- establish project
Source of funds:	\$ 8,500,000	-institution bonds

Discussion:

For 20 years MUSC has grown significantly on an incremental basis without the need to add capacity to the high voltage electrical distribution system. Within the past two months, MUSC engaged an electrical engineering firm to evaluate the high voltage electrical distribution capacity and to determine when capacity would have to be increased to accommodate future buildings. Within two weeks, the consultants informed MUSC that its current system did not have the capacity to handle the Children's Research Institute (CRI) or the Hollings Cancer Center (HCC) expansion when they come online in 2004. The need to expand the system has been documented in annual and overall permanent improvement plans for several years. However, the need to increase capacity in order to bring the CRI and the HCC expansion online has accelerated MUSC's need to accomplish the project. In May 2003, the Board of Trustees approved a resolution to proceed with the issuance of State Institution Bonds in an amount not to exceed \$12 million. The estimated cost of the project is \$8.5 million. In order to complete the project in time for the opening of the CRI and HCC, it is necessary to proceed with the expansion of the electrical distribution system on an emergency basis.

Recommendation

Staff recommends approval of the project as proposed.

MUSC

Phase I Relocation Project \$12,500,000 -establish project

Source of Funds: \$12,500,000 -sale of property

Discussion:

This project involves a cooperative effort between MUSC and the MUSC Hospital Authority (MUHA) to accommodate the eventual construction of a new MUSC hospital. The MUHA will purchase the Alumni Memorial House and land from MUSC. The area targeted for Phase I construction will require demolition of two of the three wings of the Alumni Memorial House, resulting in a loss of 27,000 square feet of student services and classroom space. The relocation of these occupants to temporary or permanent locations, along with associated up fit costs, etc. will cost approximately \$2.7 million.

The need to relocate the occupants of the Alumni Memorial House has created a “ripple effect” throughout the campus regarding space moves. The need to relocate student-related functions out of Alumni Memorial House caused MUSC to re-examine the role of the Administrative/Library Building (ALB). Since the location of the ALB is in the center of campus, it would be better utilized by more intensive student uses such as classrooms and student services. Therefore, MUSC proposes to move administrative functions from ALB to Colcock Hall. In addition, the proposed building design will capture the use of approximately 10,000 additional square feet on the first level of the ALB, which is currently portico area. Technology upgrades will also have to be made to the ALB. These improvements will cost an estimated \$5.6 million.

Colcock Hall is a historically significant facility located in the northeast part of the campus adjacent to St. Luke’s Chapel and the Waring Library. The circa 1824 facility is in need of a major renovation. The approximately 10,000 square feet of space will house the President, Provost, VP for Finance and their staffs along with the Board of Trustees’ Board Room. While renovation is underway, the administrative offices would be housed in a temporary location requiring associate up fit costs. The occupants presently located in Colcock Hall will also need to be relocated. The total estimated cost for this effort is about \$4.2 million.

In summary, the intent of the project is to accommodate construction of Phase I of the Hospital Replacement Project. The total project cost is \$12.5 million and the source of funds for the project is revenue from the sale of the Alumni Memorial House and Land to MUHA.

Recommendation

Staff recommends approval of the project as proposed.

MUSC

Thurmond/Gazes Chiller Replacement \$ 3,500,000 - increase budget/revise scope
(Previous funding = \$7,500,000)

Source of funds: \$ 3,500,000 -institution bonds

Discussion:

The original project would replace the two air handlers serving animal floors, HVAC supply duct modifications to improve air flow, replacing the nine roof-mounted air-cooled chillers and two water-cooled chillers on the ground with associated chilled water pump and piping improvements, and implementing some roof membrane improvements. The project is currently in the design stage. As the design has developed, the estimated cost of the project has more than doubled as a result of the following: the adoption of the new international building code by the State of South Carolina; the new emphasis on the aesthetics of mechanical buildings by the City of Charleston Board of Architectural Review (BAR); and the need to address emergency power and air distribution system exhaust needs that were not identified in the original project scope. MUSC does not have the financial means to execute the original scope of work and the project objectives need to be modified. The revised scope of the project will include the replacement of the two air handlers along with emergency generator capacity, supply duct, exhaust, and room membrane improvements. Installation of the improved cooling system will require an increase of \$3.5 million to the current project budget. In May 2003, the MUSC Board of Trustees authorized the issuance of State Institution Bonds in an amount not to exceed \$12 million of which \$3.5 million will be used for the proposed budget increase to this project.

Recommendation

Staff recommends approval the project as proposed.

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LEASE

Coastal Carolina

Litchfield Lease \$ 110,000 -increase

Previously Approved Amount \$ 190,000

Proposed Increase \$ 110,000

Total Amount of Lease (annually) \$ 300,000

Discussion:

On September 5, CHE approved Coastal's intent to lease approximately 10,000 assignable square feet (asf) at a cost not to exceed \$190,000 per year to offer courses in Litchfield Beach. Since that time, however, the Budget and Control Board and Coastal have determined that additional square footage is necessary. Coastal requests that the intent to lease be increased to approximately 14,700 asf, at an amount not to exceed \$300,000 annually. The square footage lease cost is approximately \$13.50 with operating costs of approximately \$6.85, making the total amount \$20.35 per square foot.

Recommendation

Staff recommends approval of the lease provided the Budget and Control Board approves the rates and terms of the lease.